

CHANGES IN MEDICARE
A NEW PRESCRIPTION DRUG BENEFIT CALLED MEDICARE PART D
Coming January 1, 2006

Beginning January 1, 2006, new **Medicare prescription drug plans will be available to all people with Medicare**. Insurance companies will contract with Medicare to offer these drug plans, which are different from the Medicare-approved drug discount cards.

Medicare prescription drug plans provide insurance coverage for prescription drugs. All drug plans will have at least a standard level of coverage set by Medicare, but could offer more coverage and additional drugs for a higher monthly premium. When a person joins a drug plan, it is important to choose one that meets the person's prescription drug needs.

Every person with Medicare picks a plan.

- Options:
 - Keep original Part A and Part B, pick a Part D **Prescription Drug Plan**.
 - Pick a **Medicare Advantage Plan** that manages Part A, Part B, and Part D.
- Enrollment in a plan begins November 15, 2005, and drug benefits begin January 1, 2006.
- Every person will have a choice of several plans. *Enrollment in a drug plan is voluntary.*
- Plans must cover at least two drugs in each therapeutic class or category.
- Insurance plans may market to Medicare beneficiaries using various means of communication.

A person who has both Medicare and Medicaid:

- **Will get all prescription drugs from his or her Part D drug plan—no longer from Medicaid—beginning January 1, 2006.**
- Automatically gets Extra Help—no need to apply. (See other side for information on Extra Help.)
- Will be randomly assigned to a Part D Prescription Drug Plan but can change to another plan any time.
- Will pay no premiums, deductible, or coinsurance; copayments for prescription drugs will be \$1 generic and \$3 other.
- If he or she resides in a nursing home, will have no premium, deductible, copayment, or coinsurance.
- Will get more information from Medicare in October 2005.
- A person with Medicaid only (no Medicare) will see no changes to his or her health care benefits.

A person who has a Medicare Savings Program (Qualified Medicare Beneficiary or QMB, Special Low Income Medicare Beneficiary or SLMB, and Qualified Individual or QI) or a person with SSI:

- Automatically gets Extra Help—no need to apply. (See other side for information on Extra Help.)
- Will be assigned to a Part D Prescription Drug Plan in 2006 but can change to another plan any time.
- Has no deductible or coinsurance; copayments for prescription drugs will be \$2 generic and \$5 other.
- Will get more information from Medicare in October 2005.

The Medicare Savings Program may provide assistance to pay for Medicare Part A and Part B. More information on the Medicare Savings Program is available from the Office of Public Assistance in any county.

Resources:

- **State Health Insurance Assistance Program (SHIP) 1-800-551-3191 (local assistance)**
- 1-800-MEDICARE (1-800-633-4227)
- www.Medicare.gov

Extra Help or Low Income Subsidy

For help paying for a drug plan and prescriptions, a person with Medicare can apply for Extra Help (the Low Income Subsidy) if income is below \$14,355 and assets are limited. *(A person who does not have Medicaid or a Medicare Savings Program will need to apply for the Extra Help.)*

- Extra Help pays part or all of the prescription drug insurance monthly premium.
- Extra Help applications were mailed by the Social Security Administration in Summer 2005 to people with incomes less than \$14,355 for an individual and \$19,245 for a couple.
- Applications can also be made online at www.ssa.gov.
- If a person has income below \$12,919.50 for an individual (and assets below \$6,000) and \$17,320.50 for a couple (and assets below \$9,000):
 - No premium, no deductible, no coinsurance; copayments are \$2 or \$5 per drug
 - No copayments after individual spends \$3,600 out-of-pocket on his or her drugs
- If a person has income between \$12,919.50 and \$14,355 for an individual (and assets below \$10,000) and between \$17,320.50 and \$19,245 for a couple (and assets below \$20,000):
 - Sliding scale premium, \$50 deductible, 15% coinsurance up to \$5,100 in total drug spending (\$3,600 out-of-pocket drug spending)
 - Copayments are \$2 or \$5 per drug after person spends \$3,600 out-of-pocket

Big Sky Rx

If assets exceed limit for Extra Help, or income is up to \$19,140 for an individual or \$25,660 for a couple, Big Sky Rx may be able to pay Medicare Part D monthly premiums. Call 1-866-369-1233.



A person with income above \$14,355 (\$19,245 for couple) and not eligible for Medicaid, a Medicare Savings Program, or Extra Help, may purchase prescription drug coverage from an insurance plan. He or she can change plans once a year, between November 15 and December 31.

A person who has prescription drug coverage now:

- If current coverage is the same or better than a Medicare Prescription Drug Plan:
 - Can keep current drug plan. Joining a Medicare Prescription Drug Plan later won't result in a higher premium.
 - Can drop current drug plan and join a Medicare Prescription Drug Plan.
- If current coverage is less than a Medicare Prescription Drug Plan:
 - Can keep current drug plan and also join a Medicare Prescription Drug Plan to have more complete prescription drug coverage.
 - Can keep current drug plan. But joining a Medicare Prescription Drug Plan later will result in a higher monthly premium.
 - Can drop current drug plan and join a Medicare Prescription Drug Plan

A person who does not have prescription drug coverage now:

- Will choose a Medicare Prescription Drug Plan or Medicare Advantage Plan during the initial enrollment period, November 15, 2005 through May 15, 2006.
- Joining a plan later will result in a higher monthly premium.

A person with income above \$14,355 (\$19,245 for couple) will pay:

- A monthly premium.
- The first \$250 in drug costs (deductible). Note that some plans have no deductible.
- 25 percent of total drug costs between \$250 and \$2,250.
- All drug costs between \$2,250 and \$5,100 in total drug costs (the "donut hole"). Note that some plans provide coverage during the donut hole.
- After \$5,100 in total drug costs, copayments of \$2 generics and \$5 brand drugs, or coinsurance of five percent, whichever is greater.